

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MAY 21, 2007

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Charles Garrett, Real Property Administration
Jurgen Bailey, Real Property Administration
Jerry Preston, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
Mark Wood, Secretary of State's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Annette Crutchfield, Legislative Budget
Pat Haas, Bond Finance
Amanda Hoback, Bond Finance
George Brummett, Finance and Administration
Dianne McKay, Finance and Administration
Mike Morrow, Finance and Administration
Fred Hix, Mental Retardation Services
Ike Boone, Finance and Administration
Mike Corricelli, Finance & Administration
Mike Baumstark, Environment and Conservation
Karen Hale, Comptroller's Office
Gina Hancock, The Nature Conservancy
Paul Sloan, Environment and Conservation
Philisa Bennett, Environment and Conservation

Jim Fyke, Environment and Conservation
Debra Hudson, Probation & Parole
Jeff Roberts, Human Services
Nancy Blevins, Finance & Administration
Jim Gordon, Children's Services
Jerry Shoemaker, Environment & Conservation
Kem Allen, Environment & Conservation
Dennis Raffield, THEC
Mary Margaret Collier, Comptroller's Office
Bob King, Finance & Administration

Comptroller Morgan called the meeting to order at 10:37 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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TENNESSEE BOARD OF REGENTS

East Tennessee State University, Johnson City, Tennessee

- 1) Approved the selection of Rentenbach Constructors, Inc. as Construction Manager/General Contractor for **Main Apartments Phase 2** at East Tennessee State University in Johnson City, Tennessee.

Estimated Project Cost: \$28,620,000.00
SBC Project No. 166/005-07-2006

Chattanooga State Technical Community College, Chattanooga, Tennessee

- 1) Approved a request for a revision in estimated project cost and funding from \$540,000.00 to \$570,000.00 (a \$30,000.00 increase), and acknowledgement of source of funding of the project for **CBIH HVAC Update** at Chattanooga State Technical Community College, in Chattanooga, Tennessee, and authorization to award a construction contract to Industrial Air Mechanical in the amount of \$474,000.00 based upon the base bid received May 9, 2007.

Revised Estimated Project Cost: \$570,000.00
SBC Project No. 166/012-01-2006

DEPARTMENT OF HUMAN SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN SURVEY, APPRAISAL and EXERCISE OPTION to ACQUIRE by EASEMENT the required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 0.15 +/- acre located in Citizens Plaza – Trans. No. 07-03-020 (JB)</u>
Purpose:	Acquisition by Easement / Fee to remove Central Parking from underneath Citizens Plaza for homeland security of building.
Grantor:	Central Parking
Comment:	Grantor reserves air rights over the plaza area.
SSC Report:	5-14-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for discussion.
SC Action:	5-21-07. Charles Garrett presented the transaction. He stated that this request was to “clean up” the original arrangement made 26 years ago when the building was a mixed use facility. After discussion, Subcommittee approved the request without objection.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Cumberland County – 98 Dooley Street, Crossville, TN – Trans. No. 05-10-903 (JS)

Purpose: To provide office space for county operation

Term: January 1, 2008 thru December 31, 2017 (10 yrs.)

Proposed Amount:	<u>6,000 Square Feet</u>		
	Annual Contract Rent:	\$69,000.00	@\$11.50/sf
	Est. Annual Utility Cost:	\$ 8,400.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$84,000.00	@\$14.00/sf

Current Amount: None

Type: New Lease – Advertise – Received five (5) proposals from three (3) proposers. This is the fourth lowest proposal received.

FRF Rate: \$12.50 per square foot

Purchase Option: No – Multi - tenant

Lessor: Paul Gaw General Partnership

Comment: The proposed lease provides: (1) Lessor will construct a new build-to suit building of 6,000 rsf and including interior improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 5-21-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, ACCEPT APPRAISAL VALUE, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property acquired:

Description:	<u>Various Counties – 2,754+/- acres identified as Bowater Phase II – Trans. No. 06-10-002 (GM)</u>
Funding:	Heritage Conservation Trust Fund \$4,792,500.00 Remainder of Bond from Phase I \$1,000,000.00
Owners:	Bowater Inc.
Tracts:	Possum Creek Tract-1,298 acres appraised @\$1,902 /acre - \$2,470,000.00 Stinging Fork Tract-630.3 acres appraised @\$2,007.11 acre -\$1,265,000.00 Laurel Snow Tract-67.7 acres appraised @\$2,733 per acre -\$185,000.00 Fall Creek Falls Tr-703 acres appraised @\$2,500.61 per acre -\$1,760,000.00 Piney River Tract-53 acres appraised @ \$2,103.59 per acre -\$112,500.00
Totals:	2,754 acres appraised at average \$2,103.30 per acre -\$5,792,488.60
SSC Report:	2-12-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	2-20-07. Charles Garrett presented the transaction. Subcommittee approved the requested as presented.
Revised Request:	Final negotiated price is \$2,111.00 per acre times 2,976 acres for a total of \$6,282,336.00, subject to survey.
SC Action:	5-21-07. Charles Garrett presented the transaction. He stated that 222 additional acres had become available and, with the slight increase in price per acre, he asked the Subcommittee for approval of the final negotiated price of \$6,282,336.00 for 2,976 acres. The Subcommittee approved Mr. Garrett's request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Shelby County – 8383 Wolf Lake Drive, Memphis, TN – Trans. No. 06-03-907 (AL)**

Purpose: To provide office/warehouse/lab space for the county operations

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>16,000 Square Feet</u>		
	Annual Contract Rent:	\$288,000.00	\$18.00/sf
	Est. Annual Utility Cost:	\$ 22,400.00	\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 17,600.00</u>	<u>\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$328,000.00	\$20.50/sf

Current Amount:	<u>11,602 Square Feet</u>		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$131,908.80</u>	<u>\$11.37/sf</u>
	Total Annual Effective Cost:	\$131,908.80	\$11.73/sf

Type: New Lease – Advertise – Received six (6) proposals from six (6) proposers and one (1) of the six was non-conforming.

FRF Rate: \$17.00 per square foot

Purchase Option: Yes – Negotiated

Lessor: Pedigo-Bartlett Properties, LP

Comment: The proposed lease provides: (1) Lessor shall provide 16,000 rsf of space and facility shall be LEED Certified and including interior improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Deputy Commissioner Paul Sloan explained the purpose of this building being LEED certified. Mike Fitts explained in more detail about LEED certification. Staff referred to Sub-Committee with recommendation.

SC Action: 5-21-07. Charles Garrett presented the transaction and noted this would be a LEED certified building. Treasurer Sims mentioned that there were sustainable design guidelines being drafted for State projects. Mr. Garrett affirmed that statement and said that they may develop a policy to handle these lease projects relative to sustainable design in the future, but that he wanted to try this one first. After further discussion, Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM FOR DISCUSSION

Review of a request for APPROVAL to ALLOW a THIRD PARTY to exercise an option to acquire a tract of land, Devils Step Hollow, that has suddenly come up for sale and is critical to the Department and the Cumberland Trail. The Department will find the funding sources and will acquire the property at fair market value in the very near future from the third party, Tennessee Trails and Greenway, a non-profit.

SSC Report: 5-14-07. Jurgen Bailey summarized the transaction. Mike Baumstark stated that acquisition will be brought back for SBC final approval when funding is in place. Staff referred to Sub-Committee with recommendation.

SC Action: 5-21-07. Charles Garrett presented the transaction. Treasurer Sims and Secretary Darnell disclosed that they were both Board members of the Tennessee Trails and Greenway. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

The Department of Environment & Conservation and Gina Hancock, with The Nature Conservancy, will be providing a project summary on the North Cumberland Project.

SC Action: 5-21-07. Charles Garrett presented the transaction and distributed an updated fact sheet. He introduced Gina Hancock of The Nature Conservancy who gave a Power Point presentation of the project. After general discussion, the Subcommittee thanked Ms. Hancock for her presentation and report.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
MENTAL RETARDATION SERVICES

The Department of Finance & Administration is requesting APPROVAL to PURCHASE THREE (3) MENTAL RETARDATION SERVICES HOMES.

Description: Located at 6846 Dawnhill Rd., Bartlett, TN; 15 Idlebrook Cove, Jackson, TN and 5316 Longwood Drive, Memphis, TN - Transaction No. 07-05-900 (BK)

Lessor: Hearthwood Properties, LLC

Purchase Price: \$650,000.00 for all three homes; includes \$21,000.00 back rent.

Comment: Leases expires November 13, 2011

SSC Report: 5-14-07. Bob King and Fred Hix summarized the transaction. In 2001 three homes in West Tennessee were leased by the private service providers of Mental Retardation Services from Hearthwood Properties, LLC. At the same time the West Tennessee Regional Mental Retardation Services Director guaranteed that the State would honor the leases if the service providers defaulted. In 2006 the Jackson services provider (a Michigan corporation) went out of business, leaving the Jackson home vacant. Back rent has been accruing. It was determined that the State's best option was to purchase and use the three homes. A price of \$650,000 was negotiated with Hearthwood for all three properties and forgiveness of all back rent. The source of funding will be Mental Retardation Services current operating funds. Fred Hix answered questions about the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 5-21-07. Charles Garrett presented the transaction. Subcommittee approved the request as recommended.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE, required interest in the following real property, with WAIVER of REAL ESTATE MANAGEMENT FEE and APPRAISALS.

Description:	<u>Shelby County – 543 Shelby Drive West, Memphis, TN – Trans. No. 07-05-007 (JB)</u>
Purpose:	Acquisition in Fee to acquire a four bedroom unit house and land to house DMRS clients.
Funding:	G.O. Bonds-Chapter 338, Public Acts of 2003
Owner:	Riverview Kansas Community Development Corporation
SSC Report:	5-14-07. Jorgen Bailey summarized the transaction. Fred Hix provided a chronology of events that lead to us acquiring these homes. Mary Margaret Collier stated that this home is the first of 12 houses to be bought with G.O. Bonds. Staff referred to Sub-Committee with recommendation.
SC Action:	5-21-07. Charles Garrett presented the transaction. Subcommittee approved the request as recommended.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 23, 2007.

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Following approval of the Consent Agenda, the meeting adjourned at 11:03 a.m.

CONSENT AGENDA

Approved the following real property transactions which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Knox County
Transaction: Acquisition in Fee
- B. Agency: University of Tennessee – Knox County
Transaction: Lease Amendment
Provision: Waiver of Advertisement
- C. Agency: University of Tennessee – Davidson County
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- D. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
- E. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
- G. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
- H. Agency: Department of Children's Services – Union County
Transaction: Lease Agreement
- I. Agency: Department of Children's Services – Claiborne County
Transaction: Lease Agreement
- J. Agency: Department of Children's Services – Shelby County
Transaction: Lease Agreement
- K. Agency: Department of Environment & Conservation – Gibson & Carroll Counties
Transaction: Acquisition by Easement
Provision: Waiver of Appraisals
- L. Agency: Department of Environment & Conservation – County
Transaction: Acquisition by
Provision: Approval for Appraisal only

- M. Agency: Board of Probation & Parole – Rutherford County
Transaction: Lease Agreement
- N. Agency: Board of Probation & Parole – Putnam County
Transaction: Lease Agreement
- O. Agency: Department of Veteran’s Affair – Davidson County
Transaction: Lease Agreement
- P. Agency: Comptroller of the Treasury – Putnam County
Transaction: Lease Agreement
- Q. Agency: Department of Military – Dickson County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal & Advertisement
- R. Agency: Department of Transportation – Shelby County
Transaction: Disposal in Fee
Provision: Waiver of Appraisal & Advertisement
- S. Agency: Department of Transportation - Henderson County
Transaction: Disposal in Fee
Provision: Waiver of Appraisal & Advertisement
- T. Agency: Department of Transportation – Hamilton County
Transaction: Disposal in Fee
Provision: Waiver of Appraisal & Advertisement
- U. Agency: Tennessee Wildlife Resources Agency – Obion County
Transaction: Acquisition by Easement
- V. Agency: Tennessee Wildlife Resources Agency – Scott County
Transaction: Disposal by Easement
Provision: Waiver of Appraisals & Advertisement
- W. Agency: Department of Finance & Administration – Davidson County
Transaction: Disposal by Lease
Provision: Waiver of Appraisals & Advertisement

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 0.11 +/- acres – 2201 Terrace Avenue, Knoxville, TN – Trans. No. 07-04-016 (FB)</u>
Purpose:	Acquisition in Fee to purchase the property. Property is in the Master Plan.
Source of Funding:	The University of Tennessee
Estimated Cost:	Fair Market Value
Owner(s):	Potter / Wheeler, LLC
SSC Report:	5-14-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

B.

UNIVERSITY OF TENNESSEE

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Knox County – 410 17th Street, SW, Knoxville, TN – Trans. No. 07-04-924

Purpose: To provide additional four (4) one-bedroom apartments

Term: November 1, 2006 thru October 31, 2011 (5 yrs.)

Proposed Amount:	<u>3,700 Square Feet</u>		
	Annual Contract Rent:	\$ 45,480.00	@ \$ 12.29/sf
	Est. Annual Utility Cost:	\$ 5,180.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,070.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 54,730.00	@ \$ 14.79/sf

Current Amount:	<u>1,850 Square Feet</u>		
	Annual Contract Rent:	\$ 22,740.00	@ \$ 12.29/sf
	Est. Annual Utility Cost:	\$ 2,590.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,035.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 27,365.00	@ \$ 14.79/sf

Type: Amendment #1 – Negotiated

FRF Rate: \$16.00 per square foot

Purchase Option: No

Lessor: W. Eugene Monday, III

Comment: The amendment provides (1) four (4) one bedroom with full bathroom, kitchen, appliances & one parking space, and (2) University may terminate this lease with 90 days notice.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

C.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Davidson County – 193 Polk Avenue, Suite 2C, Nashville, TN – Trans. No. 07-03-903

Purpose: To provide office, classroom and pharmacy training rooms for Education.

Term: 10 years

Proposed Amount: 6,100 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$78,995.00 @\$12.95/sf
Total Annual Effective Cost: \$78,995.00 @\$12.95/sf

Current Amount: None

Type: New Lease

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Nashboro/Polk Avenue, LLC

Comment: The proposed lease provides: (1) Lessor shall construct interior build-out/improvements at no additional cost to the State, (2) Lessor shall provide a minimum of 50 on-site paved parking spaces on the front & west end of the building, (3) Lessor shall furnish all utilities & janitorial services and (4) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Alvin Payne informed the Committee the reason why the University did not do an Amendment to the existing lease because the University received a lower rent rate. This lease will expire the same time as the existing lease. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County - .18 +/- acres – unimproved acres – Moseby Avenue, Lot 11C, Memphis, TN – Trans. No. 07-04-014 (LW)</u>
Purpose:	Acquisition in Fee for expansion to build classroom & additional parking. Property is the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Habitat for Humanity
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County - .21 +/- acres – unimproved acres – Moseby Avenue, Lot 13, Memphis, TN – Trans. No. 07-04-019 (LW)</u>
Purpose:	Acquisition in Fee for expansion to build classroom & additional parking. Property is the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Mary Johnson c/o Pearl M. Whitaker
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County - .19 +/- acres – unimproved acres – Moseby Avenue, Lot 14, Memphis, TN – Trans. No. 07-04-020 (LW)</u>
Purpose:	Acquisition in Fee for expansion to build classroom & additional parking. Property is the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Shelby County
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

G.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County - .20 +/- acres – unimproved acres – Moseby Avenue, Lot 15, Memphis, TN – Trans. No. 07-04-021 (LW)</u>
Purpose:	Acquisition in Fee for expansion to build classroom & additional parking. Property is the Master Plan.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Ken Robison
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

H.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Union County – 110 Wallace Lane, Maynardville, TN – Trans. No. 07-01-907 (JS)

Purpose: To provide office space for the county operation

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>3,964 Square Feet</u>		
	Annual Contract Rent:	\$33,900.00	@ \$ 8.55/sf
	Est. Annual Utility Cost:	\$ 5,549.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,360.40</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$43,810.00	@ \$11.05/sf

Current Amount:	<u>1,465 Square Feet</u>		
	Annual Contract Rent:	\$ 9,600.00	@ \$ 6.55/sf
	Est. Annual Utility Cost:	\$ 2,051.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 1,612.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$13,263.00	@ \$ 9.05/sf

Type: New Lease – Advertise – Received two proposals from two proposers.

FRF Rate: \$12.50 per square foot

Purchase Option: Yes – 1 thru 10 years – Negotiated

Lessor: Ball Limited, LP

Comment: The proposed lease provides: (1) Lessor will construct a 3,964 rsf new build-to-suit bldg., and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

I.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Claiborne County – 409 Cawood Lane, Suite A, Tazewell, TN – Trans. No. 06-11-914 (JS)

Purpose: To provide office space for the county operation

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>4,895 Square Feet</u>		
	Annual Contract Rent:	\$45,750.00	@ \$ 9.35/sf
	Est. Annual Utility Cost:	\$ 6,853.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,384.50</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$57,987.50	@ \$11.85/sf

Current Amount:	<u>2,800 Square Feet</u>		
	Annual Contract Rent:	\$19,800.00	@ \$ 7.07/sf
	Est. Annual Utility Cost:	\$ 3,920.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,080.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$26,000.00	@ \$ 9.57/sf

Type: New Lease – Advertise – Received two proposals from the same proposer

FRF Rate: \$12.50 per square foot

Purchase Option: Yes – Fair Market Value

Lessor: Roger A. Ball

Comment: The proposed lease provides: (1) Lessor will construct an addition of 2,095 rsf to the existing 2,800 rsf to the facility and including interior improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 3933 Covington Pike, Memphis, TN – Trans. No. 07-02-903 (AL)

Purpose: Group Home

Term: January 1, 2008 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>6,500 Square Feet</u>		
	Annual Contract Rent:	\$ 94,250.00	@\$14.50/sf
	Est. Annual Utility Cost:	\$ 9,100.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,150.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$110,500.00	@\$17.00/sf

Current Amount:	<u>6,500 Square Feet</u>		
	Annual Contract Rent:	\$ 91,212.00	\$14.03/sf
	Est. Annual Utility Cost:	\$ 9,100.00	\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,150.00</u>	<u>\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$107,462.00	\$16.53/sf

Type: New Lease – Advertise – received only one (1) proposal from the current lessor

Purchase Option: Yes – 1 thru 10

Lessor: Hearthwood Properties, LLC, current lessor

Comment: The proposed lease provides: (1) Lessor shall provide 6,500 rsf home and including interior improvements at no additional cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

K.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following ACQUISITION by EASEMENT of interest in real property with WAIVER OF APPRAISALS as required by T.C.A. 4-15-102 and 12-2-106.

Description: **Gibson and Carroll Counties – 1,172.3 acres located along the Rutherford Fork Obion River – Trans. No. 07-04-022 (JB)**

Purpose: Donated conservation easements to reduce the possibilities of catastrophic flooding in Carroll and Gibson Counties.

Grantee: West Tennessee River Basin Authority

Grantors: (Gibson County) Jerry Thedford – 19 acres,
Harold Watson – 33.7 acres, Bill Knott – 10 acres,
Marvin & James Ramey – 45.4 acres,
Clyde Campbell – 13 acres, C.L. Fairless – 24.5 acres, Shoaf Family Farms – 33.7 acres,
H.H.V. Partnership – 21.5 acres, Philip Crocker – 86.4 acres, Silvia Baron – 37.7 acres, Merle Walden – 50.7,
Walton Warren – 45.6 acres, Jessie Pymor – 30.1 acres, Toy Pymor – 374 acres

(Carroll County) Kenneth Bissen – 69.1 acres,
Martin Kelly – 20 acres, Mark Robinson – 74.7 acres,
W.F. Jones – 36.6 acres, Hooper House – 9.6 acres,
Harold Pearson – 37 acres, J.W. Lifsey – 28 acres,
Joe Pritchard – 2.0 acres

SSC Report: 5-14-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM FOR DISCUSSION

Request an APPROVAL for APPRAISAL ONLY for the Savage Gulf.

SSC Report: 5-14-07. Jurgan Bailey summarized the transaction. Commissioner Jim Fyke presented the purpose of the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

M.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Rutherford County – 1711 Old Fort Parkway, Suite C, Murfreesboro, TN – Trans. No. 06-10-901 (RS)

Purpose: To provide office space for county operations

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>8,700 Square Feet</u>		
	Annual Contract Rent:	\$ 83,400.00	\$ 9.59/sf
	Est. Annual Utility Cost:	\$ 12,180.00	\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,570.00</u>	<u>\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$105,150.00	\$12.09/sf

Current Amount:	<u>6,600 Square Feet</u>		
	Annual Contract Rent:	\$54,900.00	\$ 8.32/sf
	Est. Annual Utility Cost:	\$ 9,240.00	\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,260.00</u>	<u>\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$71,400.00	\$10.82/sf

Type: New Lease – Advertise – Received two (2) proposals from two (2) proposers

FRF Rate: \$13.50 per square foot

Purchase Option: Yes - Negotiated

Lessor: Pedigo – Murfreesboro Properties, LP, current lessor

Comment: The proposed leases provides: (1) Lessor will add addition of 2,100 rsf to the existing 6,600 rsf to the facility and including interior improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Putnam County – 442 Neal Street, Cookeville, TN – Trans. No. 06-10-906 (RS)**

Purpose: To provide office space for county operations

Term: January 1, 2008 thru December 31, 2017 (10 yrs.)

Proposed Amount:	<u>5,700 Square Feet</u>		
	Annual Contract Rent:	\$65,550.00	@\$11.50/sf
	Est. Annual Utility Cost:	\$ 6,270.00	@\$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,270.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$78,090.00	@\$13.70/sf

Current Amount:	<u>5,700 Square Feet</u>		
	Annual Contract Rent:	\$44,460.00	@\$ 7.80/sf
	Est. Annual Utility Cost:	\$ 6,270.00	@\$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,270.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$57,000.00	@\$10.00/sf

Type: New Lease – Advertise – Received three (3) proposals from two (2) proposers.

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Riveria Partners, current lessor

Comment: The proposed leases provides: (1) Lessor will make interior improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

DEPARTMENT OF VETERANS AFFAIRS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 215 8th Avenue North, Suite 300, Nashville, TN – Trans. No. 07-01-903 (JS)

Purpose: To provide office space for area operations

Term: July 1, 2007 thru June 30, 2012 (5 yrs.)

Proposed Amount:	<u>3,772 Square Feet</u>		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$42,000.00</u>	<u>\$11.13/sf</u>
	Total Annual Effective Cost:	\$42,000.00	\$11.13/sf

Current Amount:	<u>3,772 Square Feet</u>		
	Annual Contract Rent Incl. Utility & Janitorial Cost:	<u>\$38,400.00</u>	<u>\$10.18/sf</u>
	Total Annual Effective Cost:	\$38,400.00	\$10.18/sf

Type: New Lease – Advertise – Only proposal received

FRF Rate: \$18.00 per square foot

Purchase Option: Yes – Fair Market Value

Lessor: The American Legion, current lessor

Comment: The proposed lease provides a ninety day cancellation clause.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

COMPTROLLER OF THE TREASURY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Putnam County – 929 West Jackson Street, Cookeville, TN – Trans. No. 05-10-906 (RS)

Purpose: To provide office & training area for the Division of Property Assessment

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount: 4,896 Square Feet

Annual Contract Rent Incl. Utility Cost:

\$51,415.00 @\$10.50/sf

Est. Annual Janitorial Cost:

\$ 5,385.60 @ \$ 1.10/sf

Total Annual Effective Cost:

\$56,800.60 @\$11.60/sf

Current Amount: 3,300 Square Feet

Annual Contract Rent:

\$24,000.00 @\$7.27/sf

Est. Annual Utility Cost:

\$ 3,630.00 @\$1.10/sf

Est. Annual Janitorial Cost:

\$ 3,630.00 @\$1.10/sf

Total Annual Effective Cost:

\$31,260.00 @\$9.47/sf

Type: New Lease – Advertise – Received six (6) conforming proposals from four (4) proposers and received two (2) non-conforming proposals from one (1) proposer.

FRF Rate: \$13.00 per square foot

Purchase Option: No

Lessor: Kwun-Ion & Rebecca Ting

Comment: The proposed lease provides: (1) Lessor will construct a new build to suit of 4,896 rsf of space and including interior improvements at no additional cost to the State, (2) Lessor shall provide all utilities, and (3) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 5-14-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

Q.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Dickson County – 5.3 +/- acres – unimproved acres at the Dickson Armory, Dickson, TN –Trans. No. 07-04-015 (LW)</u>
Purpose:	Disposal in Fee for new Parks Administrative building
Original Cost to State:	Donation
Date of Original Conveyance:	May 7, 1974
Grantor Unto State:	City of Dickson
Estimated Sale Price:	Grant for public Purpose
Grantee:	City of Dickson
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

R.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT AND ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Shelby County – 4.0 +/- acres – Northside of Hwy. 78, Lamar Avenue, Memphis, TN – Trans. No. 07-04-010 (LW)</u>
Purpose:	Disposal in Fee for expansion of BNSF Railway Yards
Date of Original Conveyance:	1928
Grantor Unto State:	Watt McLeroy et al & City of Memphis
Estimated Sale Price:	Fair Market Value
Grantee:	BNSF Railway Company c/o Southwest Land Group,LLC
Comment:	Other adjoining property owner did not respond within time allowed. Original transfer instrument to State cannot be found. This area is included on project plans for State Project No. 79020-2225-54, Federal Aid Project No. U-004-1 (12) drawn in 1972.
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

S.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT AND ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Henderson County – 0.646 +/- acres – State Route – 20 – US 412 E, Lexington, TN – Trans. No. 07-04-012 (BW)</u>
Purpose:	Disposal in Fee to be sold to adjoining property owners.
Original Cost to State:	\$22,499.00
Date of Original Conveyance:	October 26, 1992
Grantor Unto State:	Tommie Austin
Estimated Sale Price:	Fair Market Value
Grantee:	Manual Ferro & Mark Maness
Comment:	Adjoining property owners requesting to purchase this property.
SSC Report:	5-14-07. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

T.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT AND ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – Parcel 1708, Map 99, Chattanooga, TN – Trans. No. 07-04-013 (FB)</u>
Purpose:	Disposal in Fee to adjoining owners to purchase the property
Date of Original Conveyance:	March 25, 1983
Grantor Unto State:	Ralph Mabry
Estimated Sale Price:	Fair Market Value
Grantee:	Mary Fuller & James Crichton
Comment:	Ms. Fuller wishes to acquire property to build a house and Mr. Crichton wishes to acquire property to protect against development.
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Obion County – 1.20 +/- acres – Troy, TN – Trans. No. 07-04-009 (RJ)

Purpose: Acquisition by Easement for ingress and egress to better manage the Three Rivers Wildlife Management Area.

Source of Funding: TWRA Funds

Estimated Cost: Gift

Owner(s): Charles Cox / Cox Farms

SSC Report: 5-14-07. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-21-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT and RIGHT OF ENTRY of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Scott County – 2 +/- acres per site – Sunquist Wildlife Management Agency, Lone Mountain City, TN – Trans. No. 07-04-008 (RJ)</u>
Purpose:	Disposal by Easement to provide easement for a gas well, pipeline and access as needed on Sunquist WMA. Well AD-1089, AD-1091, AD-1092
Estimated Sale Price:	\$500 per well site
Grantee:	Atlas America / Knox Energy
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE AMENDMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County – Tennessee Preparatory School, 1200 Foster Avenue, Nashville, TN – Trans. No. 07-04-005 (FB)</u>
Purpose:	Disposal by Lease Amendment for the term of one year extension with a 90-day cancellation prior to the expiration of the renewal term. (Magnet School Lease)
Term:	August 1, 2007 thru July 31, 2008
Consideration:	Mutual Benefits
Lessee:	Metropolitan Government of Nashville & Davidson County
Comment:	Original lease expires July 31, 2008
SSC Report:	5-14-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-21-07. Subcommittee approved the request as presented.

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration